

SENATE BILL REPORT

HB 2620

As of February 21, 2008

Title: An act relating to financial information.

Brief Description: Securing credit and debit card information.

Sponsors: Representatives Hurst, Ormsby, Morrell, Roach, Rolfes, Kelley and Simpson.

Brief History: Passed House: 2/04/08, 93-0.

Committee Activity: Financial Institutions & Insurance: 2/20/08.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Staff: Aaron Gutierrez (786-7448)

Background: State law provides that persons that accept credit cards for the transaction of business may only print the last five digits of the credit card number on any receipt given to the cardholder. The expiration date may not be printed. These restrictions only apply to receipts that are electronically printed and do not apply when the means of recording the number is by imprint or handwriting. There is an additional parallel requirement specific to retailers in state law.

In 2003 the federal Fair Credit Reporting Act (15 U.S.C. 1681, et seq) was modified to provide protections parallel to those in state law for the truncation of numbers on receipts provided to cardholders. The federal Fair Credit Reporting Act preempts state laws that conflict with the specific provisions regarding truncation of credit card or debit card numbers. It is silent on restrictions retained by persons that accept credit cards or debit cards for the transaction of business.

Summary of Bill: The prohibition is expanded, such that you cannot write the expiration date or more than the last five digits on receipts, either kept by the merchant or given to the customer.

The prohibition is also expanded to explicitly include debit cards. "Debit card" is defined as a card or device used for a transaction that debits a cardholder's account, rather than through the extension of credit.

The exemption is expanded to include when a retailer takes additional manual measures for the purpose of ensuring the card is not being used fraudulently.

Appropriation: None.

Fiscal Note: Available.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The technology is sufficient to make truncation the norm. The exemption is there to help combat fraud on high ticket items. Additional language could help protect retailers' contracts with credit card companies.

OTHER: There are concerns that the effective date will not give companies enough time to prepare.

Persons Testifying: PRO: Representative Hurst, prime sponsor; Susan Storey, Law Enforcement Group Against Identity Theft; Denny Eliason, Washington Bankers Association; Terry Kohl, Washington Credit Union.

OTHER: Vicky Marin, Washington Retail Association.